

## HOUSE BILL NO. 594

INTRODUCED BY V. SMALL-EASTMAN

A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING ELEMENTS THAT THE BOARD OF LAND COMMISSIONERS SHALL CONSIDER WHEN ESTABLISHING GRAZING LEASE RATES; PROVIDING A FORMULA TO BE USED FOR DETERMINING THE GRAZING LEASE RATES ON SCHOOL TRUST LAND; PROVIDING THAT A LEASE ON SCHOOL TRUST LAND FOR GRAZING PURPOSES MAY BE FOR ONLY A 5-YEAR PERIOD; AND AMENDING SECTIONS 77-1-106, 77-6-109, AND 77-6-507, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 77-1-106, MCA, is amended to read:

**"77-1-106. Setting of rates or fees -- rules.** (1) ~~In setting the lease rental rates or fees for the use of state lands and cabin sites, the board shall consider the impact of the uses on the school trust asset, lessee expenses for management, water development, weed control, fire control, the term of the lease, the production capabilities, the conditions on the lease payment, and any other required expenses reasonably borne by the lessee.~~ In setting cabin site lease rates, the board shall consider expenses that are commonly incurred by the lessees to preserve the value of the state land or to provide services commonly provided by private lessors in the area.

(2) All lease rental rates and fees established by the board under 77-1-208, 77-1-802, 77-6-202, 77-6-501, 77-6-502, and 77-6-507 must consider the trust asset and be in the best interests of the state with regard to the long-term productivity of the school trust lands, while optimizing the return to the school trust.

(3) The board shall comply with Title 2, chapter 4, part 3, in setting rental rates and license fees pursuant to 77-1-208, 77-1-802, 77-6-202, 77-6-501, 77-6-502, and 77-6-507."

**Section 2.** Section 77-6-109, MCA, is amended to read:

**"77-6-109. Duration of lease.** Except as provided in 77-6-116, a lease for agricultural or grazing lands may not be for a period other than 5 ~~or 10~~ years. Leases for city lots, town lots, and lands valuable for commercial development may not exceed 40 years."

